

# **MASTER IN MARKETING**

## **MASTER'S FINAL WORK PROJECT**

### **MARKETING PLAN FOR THE “ORIENTAL TEA” RESTAURANT**

**LIUJUAN LI**

**October, 2019**

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**LIUJUAN LI**

**SUPERVISOR: PROF<sup>a</sup> ISABEL MOTA DE CASTRO**

**CO-SUPERVISOR: PROF<sup>a</sup> MARGARIDA DUARTE**

**October, 2019**

## **ACKNOWLEDGMENT**

Foremost, I would like to express my sincere and deep gratitude to my supervisor Prof. Isabel Mota de Castro, and I would like to extend my thanks to my co-supervisor Prof. Doctor Margarida Duarte, for their continuous advice and always being ready to help me whenever I had a question about my writing throughout the research.

It is a genuine pleasure to express my deep sense of thanks to all the teachers who granted me knowledge and helped me build my own values.

I thank profusely to the school of ISEG for giving me this golden opportunity to improve myself, both academically and practically.

I take this special opportunity to express my heartfelt gratitude to my beloved parents and sisters for their love and continuous support, both spiritually and materially.

Very special thanks to my friends Gonalo Olivena Pinheiro and Yifan Tang for their support at the very beginning of my studying abroad. Also, very special thanks to Lan Yu and Pedro Amorim Rezende for their encouragement and help in my Portuguese, and bringing me lots of fun during my stay in Portugal.

I am thankful to all the friends working in the “Oriental Tea” for their support in my survey. Finally, thanks to the participants in the survey and to all my friends.

## ABSTRACT

The purpose of this project is to improve the performance of a Chinese restaurant, “Oriental Tea,” by developing a marketing plan. The “Oriental Tea” restaurant is situated in a popular touristic city in the Algarve, Portugal. Being surrounded by a beautiful natural landscape, the “Oriental Tea” serves thousands of tourists every year. It aims to enrich tourists’ experiences in the restaurant and to differentiate from its many competitors.

However, it has been struggling with decreasing profits in the last few years, while facing increasingly intense competition in this industry. After preliminary research, a marketing plan was developed to help the restaurant improve its revenue. The objective is to increase its revenue by 20% until the end of 2020, comparing to the same period of 2018. An online survey to general tourists and interviews with customers in the restaurant were carried out to collect the data on the main factors affecting customers’ satisfaction, inspired by the SERQUAL model. A quantitative approach was used to analyze the data collected. The main contribution of this marketing plan is to recognize the importance of marketing and communication in the catering industry.

**Keywords:** Marketing Plan, Service Marketing, 7P’s, Restaurant Business

## RESUMO

O objetivo deste projeto é melhorar o desempenho de um restaurante chinês, o “Oriental Tea,” através da realização de um plano de marketing. O restaurante “Oriental Tea” está situado numa cidade turística popular do Algarve, em Portugal. Estando inserido numa bonita paisagem natural, o restaurante “Oriental Tea” atende milhares de turistas todos os anos. Procura enriquecer a experiência gastronómica do turista com o seu restaurante e diferenciar-se dos seus muitos concorrentes.

No entanto, nos últimos anos o restaurante tem registado uma quebra nos lucros, em face da concorrência cada vez mais intensa registada neste setor. Após uma pesquisa preliminar, foi desenvolvido um plano de marketing para ajudar o restaurante a aumentar a sua receita. O objetivo é aumentar a receita em 20% até o final de novembro de 2020, comparando com o mesmo período de 2018. Foi desenvolvido e aplicado um questionário online para turistas em geral e foram feitas entrevistas a clientes presentes no restaurante para obter informação sobre os principais fatores que afetam a satisfação do cliente, inspirado do modelo SERVQUAL. Foi adotada uma abordagem quantitativa para analisar os dados coletados no inquérito a turistas e a clientes. O principal contributo deste plano de marketing é o reconhecimento da importância do marketing e da comunicação na restauração.

**Palavras-chave:** Plano de Marketing, Marketing de Serviços, 7P’s, Restaurante

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# 1. INTRODUCTION

This project aims to develop a marketing plan for the Chinese restaurant “Oriental Tea”, located in Albufeira, Algarve, which is a charming touristic city in the south of Portugal. Tourism is one of the biggest contributors to the national economy. In 2018, tourism revenue accounted for about 8.2 percent of the country's gross domestic product (GDP) (Turismo em Portugal, 2019). Besides, Portugal has been elected the Best European Tourism Destination by the World Travel Awards (WTA) for the third consecutive year. The award was announced at a ceremony in the island of Madeira on June 8<sup>th</sup>, 2019. (Publituris, 2019). The Government has provided ten million euros for the digital advertising of Portugal tourism between 2020 and 2021, according to a decree published in "Diário da República" (Jornal de Notícias, 2019).

This traveling boom impacted all travel-related services, such as restaurants and hotel industries. What comes behind is a fiercer and cruel competition, and unfortunately some of them are bound to fail. Managers are working hard to differentiate their businesses and attract more customers through various marketing activities. McDonald and Payne (1997) stated that “In essence, marketing planning is a series of activities which are tackled in a logical sequence in a way that leads to the setting of marketing objectives and the devising of programmes to meet them” (p. 31). Kotler and Armstrong (2018) defined marketing as “the process by which companies engage customers, build strong customer relationships, and create customer value in order to capture value from customers in return” (p. 29).

Albufeira, as one of the most popular touristic cities of Portugal, is richly endowed by natural landscapes and is visited by millions of tourists from all over the world each year. With the benefit of its superior geographical location, the “Oriental Tea” restaurant serves thousands of customers every year. The restaurant was opened in 2004, near the Golden Beach. However, it has been struggling with a decrease in revenues in recent years. After a preliminary investigation, a marketing plan was developed for this restaurant business with the objective to increase its turnover by 20% by the end of November 2020, comparing to the previous year. Meanwhile, this project also intends to answer the research problem of “What are the main



factors that influence customer satisfaction with the service in a restaurant.”

An online questionnaire addressed to public and an action survey at the restaurant were accomplished to collect the primary data. The project states the importance of marketing in the service industry. There is a practical and instructive significance for the restaurant sector.

This dissertation is organized in six chapters. First, is the introduction in Chapter 1, while Chapter 2 provides a brief literature review about marketing planning. Chapter 3 presents the frame of reference for the marketing plan developed in this project. Chapter 4 elaborates on the methodology and the approaches to collect and analyze primary and secondary data. Chapter 5 is the key section of this work, the marketing plan. Chapter 6 is the conclusion.

## **2. LITERATURE REVIEW**

Before formulating the marketing plan for the “Oriental Tea” restaurant, it is necessary to define some relevant concepts.

### **2.1. Definition of Marketing Plan**

Kotler and Armstrong (2018) argue that “marketing is engaging customers and managing profitable customer relationships” (p. 28). Within the brief definition, it elaborates at least two vital points: customer engagement and profitable customer relationships. These authors emphasized that “the key to engagement marketing is to find ways to enter targeted customers’ conversations with engaging and relevant brand messages” (p. 42), and described five alternative marketing management orientations, of which “the marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do” (p. 36).

McDonald and Payne (1997) stated that “marketing planning is a series of activities which are tackled in a logical sequence in a way that leads to the setting of marketing objectives and the devising of programs to meet them” (p. 31). Similarly, Wood (2012) defined that:

Marketing planning is the structured process of determining how to provide value to customers, the organization, and key stakeholders by researching and

analyzing the current situation, including markets and customers; developing and documenting marketing's objectives, strategies, and programs; and implementing, evaluating, and controlling marketing activities to achieve the objectives (p. 4).

“The outcome of this process is strategic marketing plan.” (McDonald & Payne, 1997; Wood, 2012). Over time, no matter how many new definitions given by different marketers, the general consensus is that a marketing plan is a comprehensive guide for organizations to achieve their objectives.

## **2.2. Process and Contents of a Marketing Plan**

Through a strategic marketing plan, the organization tries to find out the answers to the following questions, introduced by Hooley, Piercy and Nicoulaud (2008):

- 1 What is the business doing now?
- 2 What is happening in the environment?
- 3 What should the business be doing? (p. 30)

A number of authors proposed different frameworks for developing the marketing plan. McDonald and Payne (1997) divided the marketing plan into four phases and laid out the contents in each phase (Appendix 1). Wood (2012) summarized the process as having six steps (Appendix 2) and the main contents of a marketing plan (Appendix 3). Kotler and Armstrong (2018) also proposed a structure for the contents of a marketing plan (Appendix 4). Despite some differences, all these authors argue for the need to consider:

- Analyzing the current situation (external and internal)
- SWOT analysis
- Marketing objectives and strategies
- STP
- Marketing mix
- Budget
- Implementation and control

## 2.3. Service Marketing: Definition and Characterization

Kotler and Armstrong (2018) defined service as “a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything” (p. 244).

Wirtz and Lovelock (2016) proposed a more detailed definition of services:

Services are economic activities performed by one party to another. Often time-based, these performances bring about desired results to recipients, objects, or other assets. In exchange for money, time, and effort, service customers expect value from access to labor, skills, expertise, goods, facilities, networks, and systems. However, they do not normally take ownership of the physical elements involved (p. 58).

One typology of services, consider four categories: (1) *people processing* (e.g., restaurant and healthcare); (2) *possessions processing* (e.g., fitness centers and laundry service); (3) *mental stimulus processing* (education and concerts); and (4) *information processing* (insurance and legal service) (Wirtz & Lovelock, 2016).

Comparing to goods which are most commonly discussed, services have the following characteristics:

- Intangibility.
- Heterogeneity (variability of quality),
- Inseparability of production and consumption
- Perishability of output
- Interactive
- The time factor often assumes great importance
- Distribution may take place through nonphysical channels
- Difficult to evaluate

(Hoffman, Bateson, Wood & Kenyon, 2006; Wirtz & Lovelock, 2016)

### 2.3.1. Definition of Marketing Mix and the 7Ps

Marketing mix, known as 4Ps (**P**roduct, **P**rice, **P**lace, **P**romotion), is the cornerstone of managerial approach to marketing. Kotler and Armstrong (2018) specified that:

**Product**, anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

**Price**, in the narrowest sense, is the amount of money charged for a product or a service. In both good economic times and bad, companies should sell value, not price.

**Place**, or distribution channel, is a set of interdependent organizations that help make a product or service available for use or consumption by the consumer or business user.

**Promotion**, the specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationships (pp. 244-424).

Given the special nature of service, Wirtz and Lovelock (2016) emphasized that “The traditional marketing mix does not cover the customer interface. We, therefore, need to extend the marketing mix by adding three Ps associated with service delivery — process, physical environment, and people” (p. 69).

**Process**, “from the customer’s perspective, services are experiences. From the organization’s perspective, services are processes that have to be designed and managed to create the desired customer experience.”

**Physical environment**, “service environments, also called servicescapes, relate to the style and appearance of the physical surroundings and other experiential elements encountered by customers at service delivery sites.”

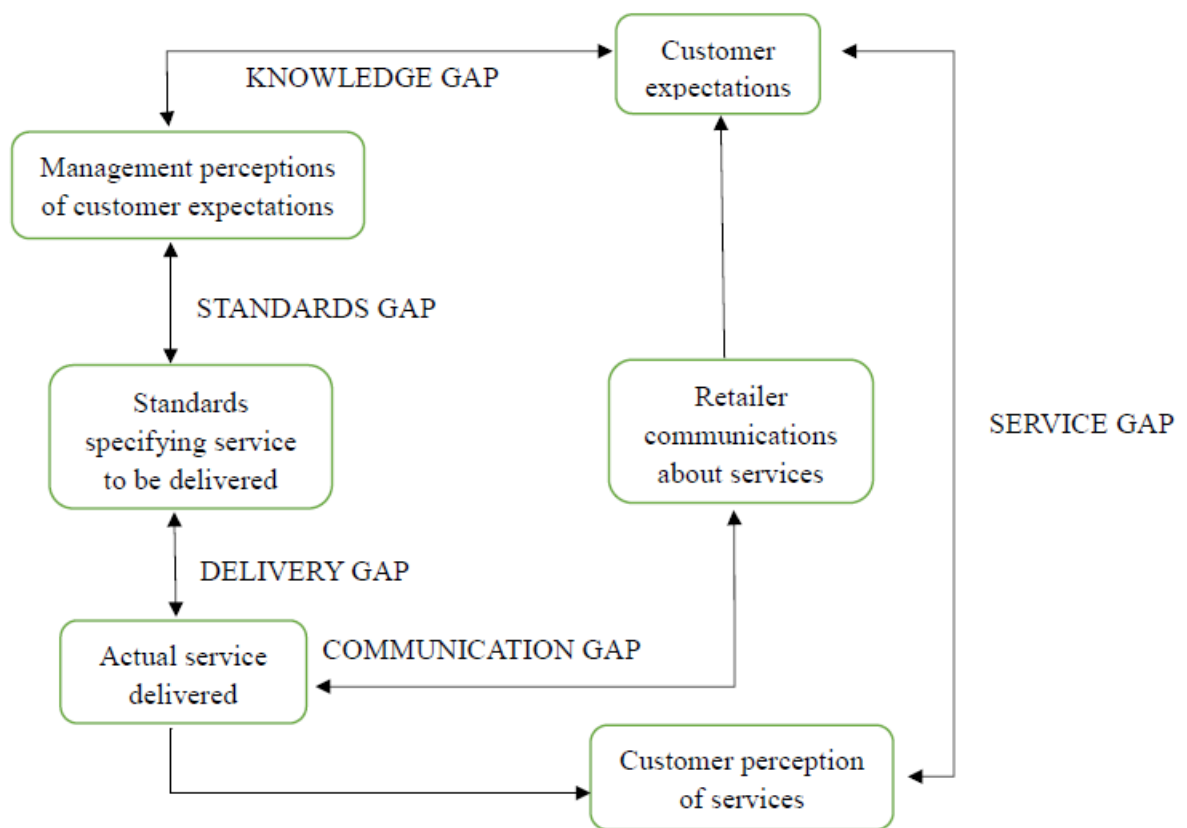
**People** play a crucial role in service industry. “Employees working in these customer-facing jobs span the boundary between inside and outside of the organization. They are expected to be fast and efficient in executing operational tasks, as well as to be courteous and helpful when dealing with customers” (pp. 429-582).

### 2.3.2. Definition of Service Quality: SERVQUAL

Hoffman et al. (2006) defined perceived service quality as “an attitude formed by long-term, overall evaluation of performance” (p. 399).

A frequently used measure of service quality is the SERVQUAL model (Parasuraman, Berry & Zeithaml, 1988). Hoffman, et al. (2006) summarized that SERVQUAL instrument is based on five service quality dimensions (tangibles, reliability, responsiveness, assurance and empathy). It consists of two sections, which are broken down into 22 items of each section (Appendix 5).

**Graphic 1** - Diagnosing failure gaps in service quality: The SERVQUAL model.



Source: Adapted from Hoffman, et al. (2006, p. 402)

Hoffman, et al. (2006, p. 403) consider that “the most important gap, the service gap, is between customers’ expectations of service and their perception of the service actually delivered.”

### 3. FRAME OF REFERENCE

The structure adopted here for developing the marketing plan for the Oriental Tea restaurant is described in Table 1.

**Table 1** - Structure of a Marketing Plan

Author	Structure of a Marketing Plan		
McDonald & Payne (1997) Wood (2012)	Mission & Corporate Objectives		
McDonald & Payne (1997) Wood (2012) Fleisher & Bensoussan (2015)	Marketing Environment Analysis		
	External Environment Analysis	Internal Environment Analysis	
	● Analyzing PESTEC	● Analyzing company’s resources	
	● Analyzing competition	● Analyzing offerings	
	● Analyzing customers	● Analyzing critical success factors	
Kotler & Armstrong (2018) McDonald & Payne (1997) Wood (2012)	Analyzing SWOT		
McDonald & Payne (1997) Wood (2012)	Assumptions		
Kotler & Armstrong (2018) McDonald & Payne (1997) Wood (2012) Writz & Lovelock (2016)	Marketing Objectives & Strategies		
	Objectives	STP	Marketing Mix & 7Ps
McDonald & Payne (1997) Wood (2012)	Planning of Actions		
McDonald & Payne (1997) Wood (2012)	Budget	Implementation	

## 4. METHODOLOGY

*Survey.* This study is characterized as descriptive research, which is a way “to portray an accurate profile of persons, events or situations” (Saunders, Lewis & Thornhill, 2009, p. 140), based on a quantitative analysis, in order to verify what are the main factors that influence customers’ satisfaction with the service in a restaurant.

Regarding the quantitative analysis, it “is predominantly used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data” (Saunders, et al., 2009, p. 151).

Survey strategy was used in this project. Saunders, et al., (2009) think that:

the survey strategy allows you to collect quantitative data which you can analyze quantitatively using descriptive and inferential statistics. In addition, the data collected using a survey strategy can be used to suggest possible reasons for particular relationships between variables and to produce models of these relationships (p. 144).

### 4.1. Sampling

To address the research objective, “what are the main factors that affect customers’ satisfaction with the service in a restaurant,” a non-probability, convenience sampling was chosen. As explained by Saunders, et al. (2009) “limited resources or the inability to specify a sampling frame may dictate the use of one or a number of nonprobability sampling techniques” (p. 233). Further, it allows the researcher “to select samples based on your subjective judgment” (p. 233). The survey to gather data needed to develop a marketing plan for the “Oriental Tea” restaurant, aimed to get responses from 50 to 100 of customers in the restaurant, and from 100 to 200 respondents from the general public.

### 4.2. Methods of Data Collection

As to the methods of data collection, the primary data about customers’ satisfaction with

the restaurant's service quality was collected by a brief questionnaire to the customers in the restaurant and also through the observation of customers' behavior. According to Saunders, et al. (2009), observation involves “the systematic observation, recording, description, analysis and interpretation of people's behavior” (p. 288). These authors also explained that participant observation is “the researcher attempts to participate fully in the lives and activities of subjects and thus becomes a member of their group, organization or community” (p. 289). Benefiting from a working experience in the “Oriental Tea” restaurant from 28<sup>th</sup> of June to 28<sup>th</sup> of August in 2018, we knew the restaurant well and we found some problems that had been overlooked. In addition, we did two more participant observations and wrote the observation diary (Appendix 6) from 15<sup>th</sup> of April to 17<sup>th</sup> of April in 2019, and from 8<sup>th</sup> of August to 10<sup>th</sup> of August in 2019, working as an assistant at bar counter. With respect to the survey on customers' satisfaction with the restaurant's service quality, the questionnaire was delivered to each respondent after they asked to pay the bill and after getting their agreements. All questionnaires were checked, in order to verify its completion. We collected 56 valid responses.

Furthermore, the primary data about the expectations of the general public concerning service quality of restaurants was gathered by an online questionnaire. The questionnaire was available online from the 7<sup>th</sup> of August 2019 until the 15<sup>th</sup> of August 2019 on social networks, such as Facebook, Wechat, Whatsapp, etc.; 109 responses were collected and 108 responses were considered valid. The online/offline surveys were inspired by the SERVQUAL framework and based on practical circumstances. The data collected were analyzed using the statistical software SPSS.

Most of the secondary data, such as tourists' statistics, and economic data, derived mostly from the main newspapers of Portugal (e.g., Jornal Noticias, Negócios, Dinheiro Vivo).

### **4.3. Limitations**

The major criticism of the SERVQUAL model involves the length of the questionnaire, with the possibility of low response rate or/and incomplete responses. To overcome some of the limitations, the questionnaires were designed aiming for two sample groups based on five aspects of the SERVQUAL model, but not all contents was included.



Two other issues affected data collection. On one hand, at the restaurateurs' request the survey was only conducted off-peak hours, in order not to bring inconvenience to the restaurant's operation. On the other hand, since the author of this research could not spend many days in Albufeira, due to financial constraints, the number of responses is not ideal. Consequently, only 56 responses were collected.

## **5. MARKETING PLAN**

The mission and vision of a business are key strategic considerations in guiding business decisions. The “Oriental Tea” restaurant define its mission and vision the following way:

Mission: To create gastronomic memory worth sharing.

Vision: To become one of the most favorable eating places in Albufeira.

### **5.1. Analyzing the Marketing Environment**

The business environment is dynamic. The purpose of analyzing the marketing environment is “to gather all the relevant data which can determine how well equipped the service organization is to compete in its chosen marketing arena now and future” (McDonald & Payne, 1997, p. 38).

#### **5.1.1. External Environment Analysis**

The key factors for the external environment analysis include political-legal trends, economic trends, social-cultural trends, technological trends, ecological trends and competitive trends, PESTEC for short. In addition, competitors and customers' analyses are also required.

##### **Political-legal trends**

The Autoridade de Segurança Alimentar e Económica (ASAE), in English: Economic and Food Safety Authority, is an organization which is responsible for food safety and economic surveillance in Portugal. Since 2015 ASAE forced to close, on average, one restaurant per day, mainly because of poor sanitary conditions. In 2017, ASAE carried out 44,196 inspections and imposed fines of 8.6 million euros. While in 2018, ASAE inspected more than 43 thousand

economic operators, passed more than 6,500 administrative offenses, and collected more than 12 million euros in fines. Food safety issues have always been a focus of the government (Machado, 2017).

VAT (value-add tax) in the Portuguese restaurant industry has decreased from 23% to 13% since 2016 and, to some degree, stimulated consumption and promoted the growth of restaurants (Pinto, 2019).

For most small and medium enterprises (SME) the primary cost involves salaries. The national minimum wage observed for the latest 3 years, showed a growth trend. It rose from 505 euros to 530 euros in January 2016, and increased to 557 euros in January 2017, then went up to 580 euros in January 2018, and in January 2019 it reached 600 euros (Agência Lusa, 2019).

According to a report of Portugal Tourism, published by Turismo de Portugal in 2018, British tourists, either in terms of quantities or purchasing power, are one of the top 5 sources of the Portuguese tourism market (Turismo de Portugal, 2019). However, a referendum held in June 2016 to decide whether the UK should leave or remain in the European Union (short for Brexit) adds some uncertainty to the European political situation. The latest news showed that the EU leaders had a backed extension of Brexit date until October 31th, 2019 (BBC News, 2019). The Portuguese Minister of the Internal Affairs, Mr. Eduardo Cabrita indicated that if the UK withdraws from the European Union, it would possibly affect the Portuguese tourism market, as the UK is the leading source of tourists to the Portuguese tourism market, mainly landing at Faro and Funchal airports (Lusa, 2019).

### **Economic trends**

As published by INE (Portuguese: Instituto Nacional de Estatística), the Portuguese GDP should have increased by 2.1% in 2018, less than the 2.8% in 2017. In contrast, Portuguese tourism keeps increasing: last year by 0.4%. Portugal welcomed 21 million tourists, including 12.76 million foreign tourists and 8.2 million of Portuguese residents (Jornal Económico com Lusa, 2019). The unemployment rate stood at 6.6% in May, down from 7.1% counterparts, but it was stable compared to April (Lusa e ECO, 2019).

According to the report of comparative price levels of consumer goods and services in the

European Union published in 2017 by Eurostat, Portugal is lower than the average of the euro area. While Denmark, Ireland, UK, France, etc. are higher than the average (Eurostat, 2019). That is one of the reasons why Portugal is an attractive tourist destination, especially for European countries.

### **Demographic and socio-cultural trends**

Portugal has one of the lowest fertility rates in the world, with the largest aging populations. The demographic problems threaten its economic growth.

Portuguese consumers have a characteristic of impulsive consumption. That is, their consumption behaviors tend to be affected by marketing activities, such as promotions (Export Enterprises SA., 2019). It is common to find abundant promotions throughout different hypermarkets. However, high levels of household debt and increased fiscal taxes have greatly limited consumption.

A survey in 2016 showed that the Portuguese eat out more often, especially for dinner, compared to the other European countries (Rodrigues, 2016).

### **Technological trends**

A survey carried out by the G2 Crowd Company in 2018, revealed that 95% of the restaurateurs investigated agree that restaurant technology improves their business efficiency. In addition, 73% of diners agree that restaurant technology improves their guest experience. In 2017, the use of mobile payments grew 75%, especially within fast food establishments. The ability to order and pay from a mobile device not only free up the staff, but enhance service delivery to a higher level (Fram, 2018).

The landscape of the restaurant business has been radically transformed by the advent of digital technology. No longer do restaurant owners only depend on the traditional word of mouth to market their restaurants. The key to going social and churning in profit is posting top-notch food pictures and video clips. An investigation carried by Statista and published in January 2019 revealed the top 6 most popular networks worldwide: Facebook, YouTube, WhatsApp, Facebook Messenger, WeChat and Instagram (Clement, 2019). Under Mary Meeker's report of Internet Trends in 2018, 55% of respondents who discovered a product through social media proceeded to purchase them later on. Facebook (78%) is the first channel

where people discover new products, while Instagram (59%) and Pinterest (59%) tied for second place (Peters, 2019). The importance of social media marketing cannot be overemphasized. What we need to pay attention to nowadays is how to do it. The way of simply posting a picture on Facebook or Instagram do not make a big difference as before. The latest research shows the stories format will become the primary way to share on social media (Peters, 2019).

### **Ecological trends**

Maria Amélia Martins-Loução, the president of Portuguese Social Ecology (In Portuguese: Sociedade Portuguesa de Ecologia, short for SPECOP). said that “sustainability is currently a word ‘politically correct’ and its use is widespread in society as a synonym for conservative consumer behavior. Sustainability is a feature of natural systems, where the laws of nature ensure the flows of energy and matter between the different compartments: soil, living organisms and atmosphere in a harmonious and balanced cycle” (SPEC, 2019).

The European parliament has approved a new law in March 2019 on the disposal of plastic items by 2021. The following products will be banned in the EU:

- Single-use plastic cutlery (forks, knives, spoons and chopsticks)
- Single-use plastic plates
- Plastic straws
- Cotton bud sticks made of plastic
- Plastic balloon sticks
- Oxo-degradable plastics and food containers and expanded polystyrene cups

Business related to the products above will be affected (European Parliament, 2019).

### **Competitive trends**

You may have ever heard that the restaurant industry is really tough and you’ll need to give your all to be successful. On one hand, customers have more channels to obtain information, such as TripAdvisor, Google map, Zomato, etc. However, some restaurateurs still do not realize the importance of communication, especially digital communication.

Nowadays, customers, to some degree, become more and more difficult to please. Stew Leonard's, a micro-chain of fresh food in America, carved its policy on a stone: Rule #1, “the

customer is always right”; and Rule #2, “if the customer is ever wrong, reread Rule #1” (Smith, 2012). One of the pressures for most managers is that their offer is not unique and can be substituted. Customers’ satisfaction is worth a lot and even more in today’s market.

### **Analyzing competition: Porter’s five forces of competition model**

Porter's Five Forces is a model that identifies and analyzes five competitive forces that shape every industry, and helps determine an industry's weaknesses and strengths (Porter, 1979). Frequently used to identify an industry's structure to determine corporate strategy. The competition in the restaurant industry is far more than we imagine, not to mention to survive in a hot tourist attraction, like Albufeira. Strolling on the street, you will find countless bars, coffee shops, clubs, and restaurants. All these restaurateurs rack their brains to draw customers’ attention.

### **Existing competitors**

The first step in a competitor analysis is to identify the current and potential competition. Considering the practical circumstance, we analyzed four main competitors close to the “Oriental Tea” restaurant. All of them are in the same zone, the “Golden Beach”, and are “Valentino Ristorante & Pizzeria,” “Borda D’Agua,” “Restaurant Vivaldo’s,” and “Cuica Praia.. “Oriental tea”, “Vivaldo’s” and “Cuica Praia” are in the east of the beach, while “Valentino” and “Borda D’Agua” in the west side. As mentioned before, the author of this study worked there for two months and knew those restaurants. Part of data was obtained by the survey on the 15<sup>th</sup> and 17<sup>th</sup> of April of 2019, and also online.

Restaurante “Vivaldo’s” is right next to “Oriental Tea,” which is considered the number one competitor, even though it is not the largest in size. They have many commons except for the cuisine of main dishes. A Portuguese couple owns the restaurant, but they are only responsible for management since they have sufficient employees, while the restaurateurs of “Oriental Tea” are also the main force of their service team. “Vivaldo” specializes in Portuguese cuisine, equipped with about 24 tables on the esplanade and 24 tables indoors. From early morning at 9 o’clock, tourists come to the beach to find a place to have breakfast and start their leisure day. Some of them go to the west, and some go to the east. Most of them just choose a restaurant nearby. If you go to the east, you will pass “Oriental Tea” first, as a result, its

operation seems not bad in the daytime, compared to “Vivaldo’s.” There is a tiny difference between their prices of snack food and English breakfast. Nonetheless, after 3 p.m., customers become less and less and more and more customers go to “Vivaldo’s” to have dinner, even though its average price for dinner (24€) is higher than at “Oriental Tea” (17€). The constant stream of visitors in “Vivaldo’s” often makes its rival “Oriental Tea” ashamed. “Vivaldo’s” becomes more shining in the night. It has a lighting and colorful billboard marked its logo “Vivaldo’s Drinks snacks Restaurante”. In “Vivaldo’s”, they have a clear division of labour. For example, only experienced waiters serve tables, and someone is in charge of laying and cleaning tables only. In a word, even in a peak-hours, all processes are conducted in an orderly way. In summer, it will cooperate with travel agent GoGo. The agent brings tourists to the restaurant and gets a commission in return. “Vivaldo’s” apparently put more emphasis on customer interfaces, such as Facebook, TripAdvisor, GoogleMap and other social networks than “Oriental Tea”. It has a relatively high rate on TripAdvisor (4.5/563) and GoogleMap (4.4/297), while “Oriental Tea” has only 4.0/81 on TripAdvisor, and 3.4/28 on GoogleMap.

The restaurant “Cuica Praia” is in a two-storey building close to the “Vivaldo’s”. It doesn’t offer English breakfast, but offers snack food, traditional western meals. It positioned itself as a leisure bar-restaurant. People like it not only because of its unique design of the terrace facing the sea, and the dining place downstairs, but also because it is equipped with the sunbeds on the beach. What’s more, visitors can enjoy the performance of Fado singers, the intangible cultural heritage of Portugal, every Wednesday night. The average price for dinner (24€) is also more expensive than “Oriental Tea”.

Restaurant “Borda D’Agua” is in the west side of the beach and has the largest customer reception capacity, about 80 tables in total, containing 48 tables in a semi-open esplanade. Except for the snack food, traditional western meals, it offers Mexican dishes too. Its prices (English breakfast 6.5€-10.9€/person, the average price for dinner 20€/person) are more expensive than “Oriental Tea”. In “Borda D’Agua”, you can not only bathe in the sun but also enjoy the music. They have a quick response to customers' requirements. But it seems that the restaurateurs overlook the digital communication, like “Oriental Tea” did. A few posts on its

Facebook, and a few responses to the online comments. The prosperous tourism industry brings a temporary great quantity of customers. But we cannot neglect the importance of social media communication in the long run.

At last, the restaurant “Valentino” has the most gorgeous decoration, compared to the others. It is specialized in Italian food, such as spaghetti and fresh-made pizza, and Portuguese cuisine too. In the restaurant, there is a big wooden-burning pizza oven which makes it more exotic. “Valentino” has the second largest customer reception capacity, with about 70 tables in total, 30 on the terrace and 40 indoor. Responding to its name “Valentino,” it has many special offers for two people. Its physical environment and service convey an image, even if it is not a high-end restaurant, but at least the mid-end. Apparently, its average cost is the most expensive (30 €). Among those competitors, only “Valentino” supports online reservations on TripAdvisor. Customers will get discounts up to 30% if they book it online. People love to go there after the evening.

The “Oriental Tea” falls behind regarding the ordering system. All of its competitors are equipped with an ordering system, which has many advantages. First, the orders will be sent to the kitchen instantly. Second, waiters can spend more time with their guests. Third, the first two advantages improve the customers’ experience. Besides, other aspects are described and compared in Appendix 7.

### **Threat of substitute products or service**

It is not an exaggeration to say that however delicious food you offer, it is always a challenge to achieve the customers’ preference. Even so, to develop a unique and special cuisine with high quality is one of the best ways to relieve the pressure from substitute products. “Oriental Tea” is working for spreading the Chinese gastronomy. The distinct Chinese snacks, such as hand-made fried dumplings, and a peculiar dish of Crispy Duck are fond of customers.

### **The threat of new entrance**

The competitive landscape is unlikely to change much in the coming years. No matter for the current rivals or the potential entrants, it is not easy to expand the market and enter the market. In particular, the cost to set up a restaurant in Albufeira that can face existing strong rivals is quite high.

### **Bargaining power of buyers**

In the tourism industry, visitors, as individuals, can hardly drive prices down.

### **Bargaining power of suppliers**

Suppliers have plenty of influence in this industry, as they affect both product quality and cost. One of the most obvious weaknesses for a small business is the weak bargaining power with suppliers.

### **Analyzing customers: SERVQUAL model**

Based on the SERVQUAL model described by Hoffman, et al. (2006), a customer satisfaction survey was conducted from the 8<sup>th</sup> of August to the 10<sup>th</sup> of August. For the purposes of this research, we divided SERVQUAL model into two parts: (1) one survey about customers' satisfaction with the service quality provided by the “Oriental Tea” restaurant (Appendix 8) and (2) another survey about the publics' expectations of high-quality service provided by restaurants (Appendix 9). Thus, the study samples that consisted of 56 respondents, customers of “Oriental Tea,” and 108 respondents from netizens. Both surveys were subsequently analyzed using the quantitative software tool SPSS.

*Oriental Tea Customers Survey.* Among the 56 respondents, 21 are females (37.5%), and 35 are males (62.5%). (Table 4); 28.6% are under 21 years of age, 32.1% are in the range of 22-31 years, 30.4% are in the age range of 42-65 (Graphic 5). In regard to the monthly salary, mostly are in the distribution of less than 600€ (30.4%) and more than 2100€ (42.9%) (Graphic 6).

*Online Survey.* Among the 108 respondents online, 57 are females (52.8%), and 51 are males (47.2%) (Graphic 7). More than half of the respondents are within the range 22-31 years old (66.7%), 15.7% are within 32-41 years old, 10.2% are within 42-65 years old, and 7.4% are less than 21 years old. (Graphic 8). UK (66.07%), Netherlands (16.07%) and France (5.36%) are the main sources of respondents. (Graphic 9).

Moreover, 82.1% of customers said that it was the first time to visit the “Oriental Tea” restaurant. 5.4% said that it was their second time, while 12.5% told us that they came to the restaurant more than once before (Graphic 10); 37.1% thought that the quality of food is the most important factor that affects their satisfaction with the service provided. The employee



friendliness and waiting time for service came, respectively second (26.32%) and third (35.85%). Ambiance and price are the least important factors for respondents (Graphic 11).

Netizens also thought the quality of food (71.3%) is the most important factor that affects their satisfaction with the service, while the second and third factors are the price (45.4%) and employee friendliness (27.8%), and the least important factors are waiting time for service (31.5%) and ambiance (36.1%) (Graphic 12). 55.6% of netizens expressed that they shared the food experience on social networks (Graphic 13). In contrast, only 14.3% of customers said they would share the experience in the “Oriental Tea” on social networks (Graphic 14). The rank of platforms most used to share the food experience is: Instagram, Facebook, Wechat, Tripadvisor and GoogleMap (Graphic 15).

Respondents were asked to rate the service provided, which was measured by ten items based on the circumstance of “Oriental Tea,” using a 5-point Likert scale (from “1 - Strongly Agree” to “5 - Strongly Disagree”). The average ratings obtained for the ten items indicate a positive overall assessment of the aspects we cared for. The ten items were further categorized into 5 dimensions, proposed by the SERVQUAL model (Table 2)

**Table 2** - Analyzing customers based on SERVQUAL model

Descriptive Statistics							
	Customers' perspective	Customer's Expectation					
		N	Mean	Std. Deviation	N	Mean	Std. Deviation
Tangibles	4.1 the restaurant's facilities are visually appealing	56	2.02	.774	109	1.87	.695
Tangibles	4.2 The employees are well dressed and neat in appearance.	56	1.89	.652	109	2.00	.850
Reliability	4.3 When the restaurant promises to do something by a certain time, it does so.	56	1.96	.660	109	1.54	.601
Reliability	4.4 When you have a problem, the restaurant shows a sincere interest in solving it.	56	2.25	.815	109	1.53	.632
Reliability	4.5 The employees perform the service right the first time.	56	1.73	.700	109	1.76	.744
Responsiveness	4.6 The employees give you prompt service.	56	1.70	.737	109	1.74	.686
Responsiveness	4.7 The employees are always willing to help you.	56	1.66	.640	109	1.77	.789
Assurance	4.8 The behaviour of employees instills confidence in you.	56	1.84	.757	109	1.96	.757
Assurance	4.9 The employees are consistently courteous with you.	56	1.62	.676	109	1.92	.818
Assurance	4.10 The employees have the knowledge to answer your questions.	56	2.09	.769	109	2.00	.805
Empathy	4.11 The employees give your personal attention	56	2.05	.773	109	2.56	.995
	Valid N (listwise)	56			109		

## Conclusion

1. UK, Netherlands & France are the main sources of customers for the restaurant. British customers create a great part of the value of the restaurant's income. If Brexit will finally

be realized in October, it will probably have a negative impact for tourism in the Algarve.

2. The overall service quality of the “Oriental Tea” restaurant was rated quite positively with “completely satisfied” and “satisfied” (Graphic 16) However, the restaurant needs to improve the level of customer retention during the customers’ stay in Albufeira.
3. The restaurant should not overlook the importance of digital communication and should encourage customers to share their experience in “Oriental Tea” with positive comments. For example, offering campaigns offline/online are a good way to spread the word about your restaurant. This simply means starting a campaign in your physical restaurant that customers can share online.
4. The level of customers’ tolerance for waiting time is higher than anticipated, however service efficiency should be improved.

### **5.1.2. Internal Environment Analysis**

The key factors to analyze the internal environment include the company’s resources, offerings, and critical success factors. McDonald and Payne (1997); Wood (2012).

#### **Company’s resources**

##### **Financial resources**

The restaurateurs of “Oriental Tea” said that the tourists to Albufeira decreased considerably compared to 2017. As a consequence, the turnover reduced about by 40% in 2018. The main costs of the restaurant are the employees’ salaries and the ingredients for food preparation.

##### **Information resources**

The restaurant has no way to get information other than the observation of customers and feedbacks from employees and customers.

##### **Supplier resources**

The “Oriental Tea” restaurant have stable suppliers, such as San Miquel to supply draft beer, and a local supplier to send other beverages. Ingredients for food preparation are purchased from supermarkets. Sometimes insufficient supply of some food items happens. It is difficult for the restaurant to negotiate with larger suppliers.

### **Critical success factors and warnings**

Fleisher and Bensoussan (2015, p. 244) consider that critical success factors “are the few things that must go well to ensure success for a manager or an organization and, therefore, they represent those managerial or firm areas that must be given special and continual attention to bring about high performance.”

For a small and medium-size restaurant, we highlight five key factors to success. First, the quality of food. In the restaurant business, food is the same as a soul for a human being. The simplest way to the customers’ heart is through his stomach. Second, quality service. Good service not only gives bonus points to a restaurant, but also has a sedative effect when they fail to meet customers’ expectations. Third, competitive price. People care about the price when they offer a similar service. The sales incentive program contributes to customer retention. Fourth, customer feedback. Word of mouth (WOM) is a cost-effective way to spread information, particularly nowadays on social media. Fifth, differentiation. A successful restaurant must be able to distinguish itself from its competitors.

### **Marketing Mix and 7Ps**

#### **Product**

The restaurant offers breakfast, lunch, and dinner. The menu has well-integrated traditional Chinese and western food offering, in order to meet the different request of customers. Drinks include coffee, tea (including Chinese tea), juice, beer, wine and other alcoholic and non-alcoholic drinking. Foods cover sandwiches, hamburgers, omelets, meat, fish and Chinese snack foods. English breakfast and sandwiches are the most often ordered items for breakfast. Hamburgers are favoured by young people. Crispy duck, sweet-sour chicken, sizzling beef, spare ribs, prawn curry, and fried noodles are well received by customers. All the dishes are freshly-made with high quality.

#### **Price**

Basically speaking, an English breakfast including drinks costs 7 to 9 euros. Customers spend 13 to 15 euros per person on average for lunch. A formal dinner including starters, dishes and drinks usually costs 15 to 20 euros. They are good prices compared to the other competitors.

#### **Place (or distribution)**

“Oriental tea” is a small family-operated restaurant, situated in a busy scenic spot, Albufeira. Reservation through telephone calls is also supported.

### **Promotion and communication**

The restaurant does not have a coherent promotion strategy. Sometimes the restaurateur will give 15% discounts to frequent customers. It doesn't have Facebook or Instagram. No one manages the accounts on TripAdvisor and GoogleMap. There are some bad reviews, however the restaurateurs can't reply to them since they do not remember the password. This impacts the restaurant online reputation. All efforts online could go to waste if there isn't a good online reputation management strategy in place. An online reputation for a restaurant would at least involve responding to customer queries in a timely manner and providing feedback to both negative and positive reviews in a way that would portray your restaurant in good light.

### **Process**

The process of meal consumption in the restaurant starts with customers taking a seat. The detailed service processes is described in Appendix 10. In general, it takes 15 to 20 minutes to serve the first dish. after customers place the order, except for pizza which takes 20 to 30 minutes for 2 pizzas. Due to the small size of the oven, the time will increase substantially when more than 2 pizzas are ordered, then complaining occurs. In the two busiest periods, 10:30-14:00 and 19:30-21:30, the average time of serving is 30 to 40 minutes.

“Oriental Tea” has not installed an efficient ordering system yet. Waiters have to do it by hand. What is really worse, since the kitchen is on the second floor, they have to go upstairs and downstairs for every order, which is a time-consuming task. It takes about 3 minutes to deliver the order from the furthest table to the kitchen, which increases the working load intensity, and waiters have less time to spend on the guests. This is an important issue that strongly affects the time of service delivery and service quality at busy mealtimes.

### **Physical environment**

The main dining place is on the esplanade equipped with 26 tables, and 12 tables indoors (Appendix 11). The restaurant's plastic tables and chairs are mainly camels, with large yellow and gray umbrellas. The table linen for dinner is in yellow and white. Each table is prepared with menus, tissues, and ashtrays. Customers can enjoy the sea view. The complete menus are

fixed at the roadside. Customers often stop and have a look.





### **People**

It has three Chinese chefs in the kitchen, three waiters (1 Nepalese, 2 Indian), one cleaner and the restaurateurs are also in the service team. The chefs speak Chinese only, the waiters speak English and Portuguese. On the other hand, the restaurateurs themselves lack systematic professional knowledge. You can hardly find entrepreneurial spirit or managerial concepts in them. For example, they never have any initiative and entertainable program to motive the workforce moral. They do not have a close relationship with employees.

## **5.2. SWOT Analysis**

After the situational study, a SWOT analysis matrix was built to point out opportunities and threats from the external environment, and the strengths and weaknesses of the company (Table 3).

**Table 3 - SWOT Matrix**

 <ol style="list-style-type: none"> <li>1.Good location</li> <li>2.Good environment</li> <li>3.Competitive price</li> <li>4.Unique Chinese food</li> <li>5.Special attention to customers</li> <li>6.Flexible purchase</li> </ol>	 <ol style="list-style-type: none"> <li>1.Communication between waiters and Chinese chefs</li> <li>2.No ordering system</li> <li>3.Lack concept of digital communication</li> <li>4.A few food pics on the billboard</li> <li>5.Serving time of pizza is much longer than other dishes</li> <li>6. Limited access to information</li> <li>7. No kitchen display of orders</li> <li>8. Long distance between kitchen and esplanade</li> </ol>
 <p>The Government has authorized ten million euros for the digital advertising of Portugal tourism between 2020 and 2021, it will attract more tourists.</p>	 <ol style="list-style-type: none"> <li>1.Hotels(MGM) around offer meals</li> <li>2.A lot of competitors nearby</li> <li>3.Brexit</li> <li>4.Forbiden usage of plastic straws in 2021</li> </ol>

### 5.3. Assumptions

As it expected that the Portuguese tourism industry remains prosperous. The number of tourists are not expected to decrease, at least in the next few years. The price level and VAT for the restaurant industry will keep stable. In terms of the present political situation, Brexit is the main uncertainty factor.

### 5.4. Marketing Objectives and Strategies

#### 5.4.1. Marketing Objectives

This one-year-long marketing plan is designed for the restaurant “Oriental Tea”, with the objectives as follows:

- To improve the popularity of the restaurant.
- To enhance the reputation of the restaurant
- To create new remarkable service experience for customers.
- To add vegetarian food for specific customers.
- To promote typical Chinese food
- To attract more followers on social networks, such as Facebook and Instagram.
- To improve customer satisfaction and the rates on Google map, and TripAdvisor.
- To increase the turnover by 20%.

### **5.4.2. Marketing Strategies**

#### **STP (Segmentation, Targeting, Positioning)**

The unique features of a local environment often give special characteristics to its inhabitants. Based on the statistics published by INE, it shows that the UK, Germany, Spain, France, Holland, and other European countries are the main sources of tourists for Portugal. First, given its geographic proximity. Second, benefits from the policies among European members which give tourists some privileges. Third, Portugal’s relatively low price-level in the Euro Zone attracts many other countries around too. Others with huge potential consumption power such as the US, Brazil, and China. Therefore, customers from different continents were divided into five groups. The “Oriental Tea” will particularly target European customers.

The positioning of “Oriental Tea” is to offer a favorable place to customers and always offer high-quality Chinese gastronomy and fast food.

#### **Marketing Strategy**

Based on identified marketing objectives, we developed the following marketing tactics (Table 4), respectively in terms of product, price, promotion, place, people, process and physical environment.



**Table 4 - Marketing tactics**

Product	<ol style="list-style-type: none"> <li>1. Adding vegetarian food to the existing menu</li> <li>2. Introducing new Chinese snacks, such as: Turnip cake, Steamed bao buns, and dishes, such as Ma po tofu, Honey sesame chicken</li> <li>3. Introducing typical Portuguese snacks, such as pastéis de bacalhau, and popular dishes, such as amêijoas à Bulhão, Pato</li> </ol>
Price	<ol style="list-style-type: none"> <li>1. One special offer every day</li> <li>2. 5-10% discounts for online bookings</li> <li>3. 10-15% discounts offered for the next dinner when customers' consumption is higher than 30 euros.</li> <li>4. Happy hour (17:00-19:30), 1.5€ for one small beer/50cl.</li> </ol>
Place	<ol style="list-style-type: none"> <li>1. Supporting online booking on Tripadvisor</li> </ol>
Communication	<ol style="list-style-type: none"> <li>1. Creating new accounts of Tripadvisor, Facebook and Instagram, and update them on a daily basis</li> <li>2. Redesigning the poster on the billboard, updating with pictures of popular dishes</li> <li>3. Holding campaigns of different themes, such as Easter, Valentine day</li> <li>4. Reinforcing employees' concept of interaction with the customers to get more information from customers</li> </ol>
People	<ol style="list-style-type: none"> <li>1. Improving Chinese chefs' Portuguese to meet basic conversation</li> <li>2. Making a uniform</li> <li>3. Reinforcing employees' concept of service quality</li> </ol>
Process	<ol style="list-style-type: none"> <li>1. Introducing an efficient ordering system</li> <li>2. Introducing kitchen display</li> <li>3. Buying a new oven to reduce the serving time of frozen pizza</li> </ol>
Physic environment	<ol style="list-style-type: none"> <li>1. Using electronic candles for dinner</li> <li>2. Putting on background music</li> <li>3. Designing a welcome statue</li> </ol>

## 5.5. Planning, Implementation & Control

### 5.5.1 Planning & implementation

**Table 5** – Schedule of Marketing Activities

Marketing Planning for Oriental Tea of 2020										
Tactics	Feb.	March	Abril	May	June	July	Aug.	Sept.	Oct.	Nov.
Installing Ordering system	X									
Operation training	X									
Adding vegetarian food to menu		X								
Introducing new Chinese snacks and dishes			X		X		X			
Introducing new Portuguese snacks and dishes				X						
Buying new uniform		X								
Buying new oven		X								
Buying electronic candles		X								
Gathering customers' feedback on foods		X	X	X	X		X			
Redesign poster on billboards			X							
Designing a welcome statue to attract customers' attention				X						
Easter campaign			X							
Portugal Day campaign					X					
Happy Hour				X	X	X	X	X		
Broadcasting Olympics games						X	X			
Social media marketing	X	X	X	X	X	X	X	X	X	X
Let more customers rate on google map / tripadvisor	X	X	X	X	X	X	X	X	X	X
Online booking discounts on Tripadvisor 10-15%		X	X							

### 5.5.2. Control & Monitoring

The implementation of the marketing strategies will be controlled and monitored, and the performance of the restaurant in the given period will be analyzed. The tactics about food will be monitored according to the customers' feedback. The actions on social marketing will be monitored based on the customers' participation.

### 5.5.3. Budget

**Table 6 - Budget**

Strategies	Budget	Supplier
Updates of menu, including printing	144€/48pcs	Rua da Palma
Poster design	25€	Rua da Palma
Campaign flyers	100€/1000pcs	Rua da Palma
Buying the uniform	81.12€/8pcs	T-shirts.pt
Ordering system hardware (Window tablet and Epson receipt print )	168€+135.2€	Amazon
Ordering system software	640€/10 month	Poster POS
Oster Extra Large Digital Countertop Convection Oven	112.2€	Amazon
Welcome statue	270€	Alibaba
Electronic candles	80€/100pcs	Alibaba
In total	1755.52€	

## 6. CONCLUSION

In order to improve the overall competitiveness of the restaurant in the region, a this marketing plan was developed for the “Oriental Tea” restaurant. Based on theoretical models and frameworks from strategy and services marketing, we analyzed the external and internal environment of the restaurant, formulating the SWOT matrix. The first main threat to the restaurant is the lack of differentiating features in the value offering, making the restaurant to passively serve customers, rather than proactively attract customers and retain customers. The second main threat is the lack of management of customer interface, both online and offline. In other words, lacking interactions with the customers. As highlighted by the survey, 85.71% of the customers didn’t want to share their experiences in “Oriental Tea,” since the restaurant didn’t create anything special deserving sharing, which is against the mission, to create gastronomic memory worth sharing. This is why we sought to identify the most appropriate marketing strategies. We planned two distinctive tactics that contribute to competitive advantage. One is to improve the physical environment by making a special welcome statue to attract customers’ attention and to add LED candles for dinner. Another suggestion is to hold events with different themes to enrich customers’ experiences in the restaurant and to create their food memory with “Oriental Tea.”

The main contribution of this marketing plan is to arouse the recognition of the importance of marketing and digital communication in the restaurant industry, which is often overlooked by the restaurateurs. Besides, we learned more about the main factors that influence customers’ satisfaction with the service in a restaurant. With the survey, we found that customers’ tolerance for waiting is higher than we thought before, the food quality, ambiance and employee friendliness are the most important factors impacting their satisfaction.

In the long term, it is necessary to rethink the current strategy and consider building both brand image and brand awareness. “Oriental Tea” should aim to be a symbol of an irreplaceable meal experience.

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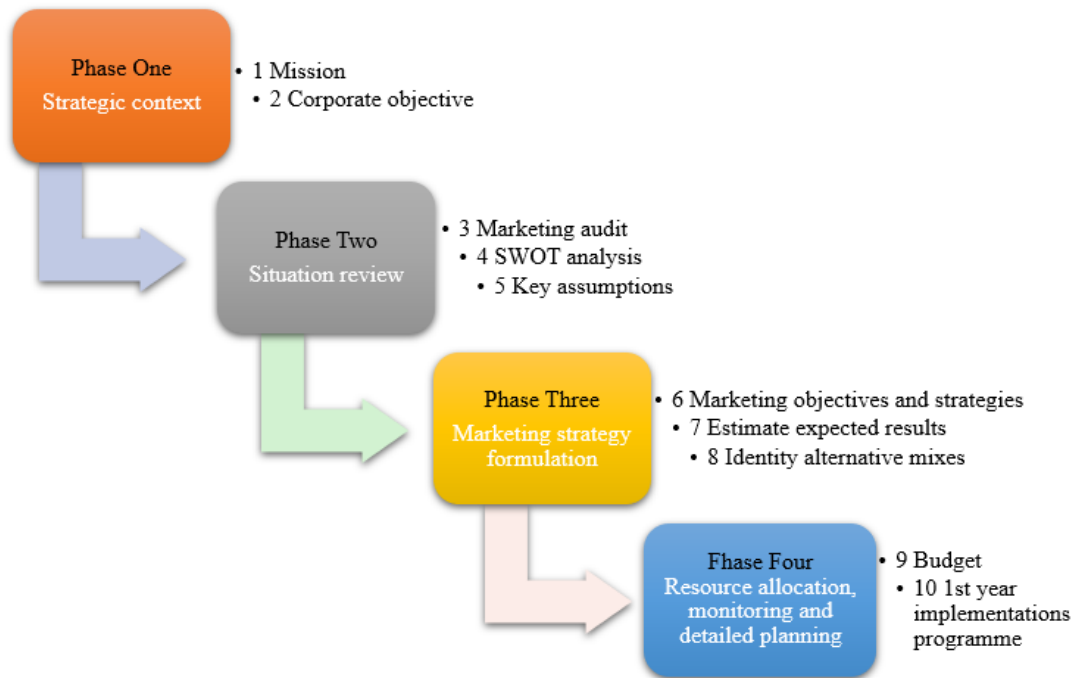
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## APPENDICES

### APPENDIX 1

**Graphic 2** - The strategic marketing planning process for service

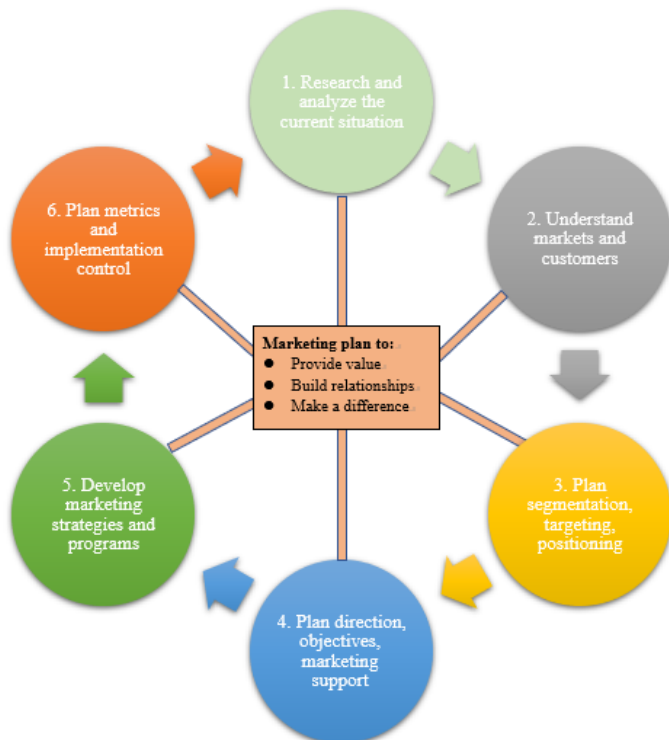


*Source:* Adapted from McDonald & Payne (1997, p. 30)



## APPENDIX 2

**Graphic 3 - The Marketing Planning Process**



*Source:* Adapted from Wood (2012, p.5)

**APPENDIX 3****Table 7 - Main Sections of a Marketing Plan**

<b>Section</b>	<b>Description</b>
Executive summary	Reviews the plan’s highlights and objectives, linking the marketing effort to higher-level strategies and goals
Current marketing situation	<p>Analyzes events and trends in the environment that can affect the organization, its marketing, and its stakeholders:</p> <ul style="list-style-type: none"> <li>● Internal situation (mission, resources, offerings, previous results, business relationships)</li> <li>● External situation (political-legal, economic, social-cultural, technological, and ecological forces)</li> <li>● Competitive situation (current and emerging/potential competitors, competitive strategies and advantages)</li> <li>● Market situation (market definition, market share, customer needs and behavior)</li> <li>● SWOT analysis (internal strengths and weaknesses, external opportunities and threats)</li> </ul>
Target market, customer analysis, positioning	Explains the segmentation, targeting, and positioning decisions. Also discusses the segments to be targeted, with an overview of customers’ and prospects’ needs, wants, behaviors, attitudes, loyalty, and purchasing patterns.
Objectives and issues	<p>Outlines specific objectives, in three categories, to be achieved through the plan, and identifies any issues that may affect the organization’s ability to achieve them:</p> <ul style="list-style-type: none"> <li>● Financial objectives</li> <li>● Marketing objectives</li> <li>● Societal objectives</li> </ul>
Marketing strategy	Summarizes the overall strategy for achieving objectives by creating, communicating, and delivering value to the target market(s). Also indicates how marketing will affect other stakeholders.
Marketing programs	<p>Lays out the programs supporting the marketing strategy, including specific activities, schedules, and responsibilities for the following:</p> <ul style="list-style-type: none"> <li>● Product</li> <li>● Pricing</li> <li>● Place (channels and distribution)</li> <li>● Promotion (marketing communications and influence)</li> <li>● Service</li> <li>● Internal marketing</li> </ul>
Financial and operational plans	<p>Financial and operational requirements and results related to marketing programs:</p> <ul style="list-style-type: none"> <li>● Expected revenues and profits</li> <li>● Projected budgets</li> <li>● Schedules and responsibilities</li> <li>● Additional information or resources needed for planning and implementation</li> </ul>
Metrics and implementation control	Indicates how the plan will be implemented and evaluated, including metrics for performance measurement. Shows how and when adjustments will be made to keep plan on track toward objectives. Includes contingency plans as needed.

*Source:* Adapted from Wood (2012, p. 7)

**APPENDIX 4****Table 8 - Contents of a Marketing Plan**

<b>Section</b>	<b>Purpose</b>
Executive summary	Presents a brief summary of the main goals and recommendations of the plan for management review, helping top management find the plan's major points quickly.
Current marketing situation	Describes the target market and the company's position in it, including information about the market, product performance, competition, and distribution. This section includes the following: <ul style="list-style-type: none"> <li>• A market description that defines the market and major segments and then reviews customer needs and factors in the marketing environment that may affect customer purchasing.</li> <li>• A product review that shows sales, prices, and gross margins of the major products in the product line.</li> <li>• A review of competition that identifies major competitors and assesses their market positions and strategies for product quality, pricing, distribution, and promotion.</li> <li>• A review of distribution that evaluates recent sales trends and other developments in major distribution channels.</li> </ul>
Threats and opportunities analysis	Assesses major threats and opportunities that the product might face, helping management to anticipate important positive or negative developments that might have an impact on the firm and its strategies.
Objectives and issues	States the marketing objectives that the company would like to attain during the plan's term and discusses key issues that will affect their attainment
Marketing strategy	customer value, and build customer relationships, plus the specifics of target markets, positioning, and marketing expenditure levels. How will the company create value for customers in order to capture value from customers in return? This section also outlines specific strategies for each marketing mix element and explains how each responds to the threats, opportunities, and critical issues spelled out earlier in the plan.
Action programs	Spells out how marketing strategies will be turned into specific action programs that answer the following questions: What will be done? When will it be done? Who will do it? How much will it cost?
Budgets	Details a supporting marketing budget that is essentially a projected profit-and-loss statement. It shows expected revenues and expected costs of production, distribution, and marketing. The difference is the projected profit. The budget becomes the basis for materials buying, production scheduling, personnel planning, and marketing operations.
Controls	Outlines the controls that will be used to monitor progress, allow management to review implementation results, and spot products that are not meeting their goals. It includes measures of return on marketing investment.

*Source:* Adapted from Kotler & Armstrong (2018, p. 81)

## APPENDIX 5

Table 9 - SERVQUAL Dimensions

Tangibles expectations	1. Excellent companies will have modern-looking equipment.
	2. The physical facilities at excellent companies will be visually appealing.
	3. Employees of excellent companies will be neat in appearances.
	4. Materials associated with the service will be visually appealing in an excellent company
Tangibles perceptions	1. XYZ has modern-looking equipment.
	2. XYZ's physical facilities are visually appealing.
	3. XYZ's employees are neat in appearance.
	4. Materials associated with the service are visually appealing at XYZ.
Reliability expectations	1. When excellent companies promise to do something by a certain time, they will do so.
	2. When customers have a problem, excellent companies will show a sincere interest in resolving it.
	3. Excellent companies will perform the service right the first time.
	4. Excellent companies will provide their services at the time they promise to do so.
	5. Excellent companies will insist on error-free records.
Reliability perceptions	1. When XYZ promises to do something by a certain time, it does so.
	2. When you have a problem, XYZ shows a sincere interest in solving it.
	3. XYZ performs the service right the first time.
	4. XYZ provides its services at the time it promises to do so.
	5. XYZ insists on error-free records.
Responsiveness expectations	1. Employees of excellent companies will tell customers exactly when services will be performed.
	2. Employees of excellent companies will give prompt service to customers.
	3. Employees of excellent companies will always be willing to help customers.
	4. Employees of excellent companies will never be too busy to respond to customer requests.
Responsiveness perceptions	1. Employees of XYZ tell you exactly when services will be performed.
	2. Employees of XYZ give you prompt service.
	3. Employees of XYZ are always willing to help you.
	4. Employees of XYZ are never too busy to respond to your requests.
Assurance expectations	1. The behaviour of employees of excellent companies will instil confidence in customer
	2. Customers of excellent companies will feel safe in their transactions.
	3. Employees of excellent companies will be consistently courteous with customers
	4. Employees of excellent companies will have the knowledge to answer customer questions.
Assurance perceptions	1. The behaviour of employees of XYZ instils confidence in customers.
	2. You feel safe in your transactions with XYZ.
	3. Employees of XYZ are consistently courteous with you.
	4. Employees of XYZ have the knowledge to answer your questions.
Empathy expectations	1. Excellent companies will give customers individual attention.
	2. Excellent companies will have operating hours convenient to all their customers.
	3. The employees of excellent companies give customers personal attention.
	4. Excellent companies will have the customer's best interest at heart.
	5. The employees of excellent companies will understand the specific needs of their customers.

Empathy perceptions	1. XYZ gives you individual attention.
	2. XYZ has operating hours convenient to all its customers.
	3. XYZ employees give you personal attention.
	4. XYZ has your best interests at heart
	5. Employees of XYZ understand your specific needs.

Source: Adapted from Hoffman, Bateson, Wood & Kenyon (2006, pp. 411-414)

## APPENDIX - 6

**Table 10** – Observation Diaries

<p><b>15<sup>th</sup> afternoon to 17<sup>th</sup> morning of April, 2019</b></p> <ul style="list-style-type: none"> <li>➤ Not many customers in the whole afternoon, all customers were well-served, and they seemed pleased with the service and dishes</li> <li>➤ The weather was still cool at that time, especially after the sunset, very windy, not many customers visited the restaurant on 15<sup>th</sup> night.</li> <li>➤ One local frequent customer came for lunch, after short conversation, she suggested that to offer some new dishes and she would like to take a try</li> </ul>	<p><b>15h-19h, 8<sup>th</sup> of August 2019</b></p> <ul style="list-style-type: none"> <li>➤ Some customers sitting at the furthest table, their eyes were fixed on the waiters, but none of them realized the customers' request.</li> <li>➤ One customer ordered pork, but sold out.</li> <li>➤ Two customers waited for a long time to place the order</li> <li>➤ Different waiters repeatedly asked the same customers to place the order</li> <li>➤ One customer went to the bar counter and ordered 4 Sagres after he failed to draw waiter's attention.</li> <li>➤ A group of young men complained that they asked for refill the drinking, but not served.</li> </ul>
<p><b>11h-18h, 9<sup>th</sup> of August 2019</b></p> <ul style="list-style-type: none"> <li>➤ The bell rang to remind waiters to serve dishes, but they didn't hear it</li> <li>➤ One customer ordered curry shrimp, but served with mixed shrimp</li> <li>➤ One customer complained that the shrimp dumplings were still cold inside</li> <li>➤ One customer ordered egg cheese burger, the chef forgot to put the beef</li> <li>➤ One customer complained that the “BIG” fried French was too small</li> </ul>	<p><b>11h-15h, 10<sup>th</sup> of August 2019</b></p> <ul style="list-style-type: none"> <li>➤ A group of 15 men came and ordered food and drinkings, the restaurateur had to do the order registering, drinking preparation, and to wash the glasses at the same time. She looked exhausted.</li> <li>➤ One family with a little baby came, but the two high chairs had been occupied</li> <li>➤ One customer said the grill chicken was not well cooked and asked to do it again</li> </ul>

## APPENDIX 7


Table 11 – Analysis of Competition

Metix	Main competitors				
Name	Vivaldo's	Valentino Ristorante	Borda D'Água	Cuica Praia	Oriental Tea
Location	Praia da Oura, Albufeira 8200-604, Portugal	Praia da Oura, Albufeira 8200-604, Portugal	Praia da Oura, Albufeira 8200-604, Portugal	Praia da Oura, Albufeira 8200-604, Portugal	Praia Da Oura, Albufeira, 8200-604, Portugal
Opening Time	10:00-22:00	12:00-24:00	9:00-01:00	9:30-24:00	10:00-23:00
Size(4person/table)	24 outdoor, 24 indoor	30 terrace, 40 indoor	48 outdoor, 32 indoor	20 terrace, 15 indoor	22 outdoor, 12 indoor
Meals	Breakfast, Lunch, Dinner	Lunch, Dinner	Breakfast, Lunch, Dinner	Breakfast, Lunch, Dinner	Breakfast, Lunch, Dinner
Take-away	Yes	Yes	Yes	Yes	Yes
Vegetarian food	Yes	Yes	Yes	Yes	No
Facebook	Yes	Yes	Yes	Yes	No
Instagram	No	Yes	No	No	No
English breakfast	4.5€-7.5€/per person	7.5€-9€/per person	6.5€-10.9€/per person	Not available/per person	4.5€-6.5€/per person
Price range (drinks-tin+ Toast/sandwich/baguete hamburger)	6€-9€ /per person	7.5€-12€ (No hamburger) /per person	4€-12€/per person	7€-9€ /per person	4€-9€/per person
Average price for dinner (one starter +one dish + one drink-tin)	24€ /per person	30€/per person	20€/per person	24€/per person	17€/per person
Other services	Gluten-free food	Fresh-made pizza	Music	Fado and Sunbeds	Not available

# MARKETING PLAN FOR THE “ORIENTAL TEA” RESTAURANT

TripAdvisor Rate/comments	4.5/563	4.5/58	4.0/278	4.5/121	4.0/81
Google Map rate Rate/comments	4.4/297	4.4/297	4.2/67	4.5/54	3.4/28
Other Marketing	Lighting Billboard  Cooperate with a travel agent	Online booking	Not available	Not available	Not available
Strengths	1.good service  2.Multi-channel of communication  3.native Portuguese cuisine	1.online booking  2.fresh-made pizza  3.well-decorated  4.good service	1.large capacity  2.fast service delivery  3.fair price	1. Fado  2.Sunbeds  3.well-designed terrace	1. low price  2. good location
Weakness	limited dining area  limits the customers at a busy time	1.the narrow entrance hides its true capacity of customer reception  2. high price	half of the tables outdoor are fixed so that it's difficult to meet a group of customers more than 4 people	1.Most marginal location  2. high price	1.lagged ordering system

# APPENDIX 8 Offline Survey



LISBON  
SCHOOL OF  
ECONOMICS &  
MANAGEMENT  
UNIVERSIDADE DE LISBOA

This questionnaire is carried out as part of the final project of Master's degree of the School of Economics and Management at the University of Lisbon, with the collaboration of "Oriental Tea". It is intended to evaluate the service quality provided by the restaurant through a customer satisfaction survey. Your contribution is extremely important. The results of this questionnaire will be used only for academic purposes.

5. Please mark your satisfaction level with the restaurant

☐ Completely satisfied  
☐ Satisfied  
☐ Indifferent  
☐ Dissatisfied  
☐ Completely dissatisfied

6. If you feel dissatisfied, what leads to it?

7. Are you going to share this experience on the social network?

☐ Yes  
☐ NO

8. What are the main platforms you most often use to share the food experiences?  
(you can choose more than one option)

☐ Facebook  
☐ Instagram  
☐ Tripadvisor  
☐ Google map  
☐ Other, please indicate \_\_\_\_\_

9. Your gender

☐ Female  
☐ Male

10. Please indicate your age

☐ Under 21 (including 21)  
☐ 22-31  
☐ 32-41  
☐ 42-85  
☐ More than 86 (including 86)

11. Please indicate your monthly salary.

☐ Less than 800€  
☐ 801€-900€  
☐ 901€-1200€  
☐ 1201€-1500€  
☐ 1501€-1800€  
☐ 1801€-2100€  
☐ More than 2100€

12. Please indicate your country of origin \_\_\_\_\_

Thank you!



# APPENDIX 9 Online Survey

Q4. What are the main platforms you use to share the food experiences? (you can choose)

Facebook  
Instagram  
TripAdvisor  
Google Map  
Wechat  
Others

Q5. Generally, do you check the comments online about the restaurant before you decide to eat there?

No  
Yes  
Sometimes

Q6. Please mark the level about the possibility that the comments affect your final decision.

Very probable  
Somewhat probable  
Neutral  
somewhat improbable  
Not probable

Q7. Your Gender

Male  
Female

Q8. Please indicate your age.

under 21  
22-31  
32-41  
42-55  
66 or more

Q9. Please indicate your monthly salary.

Less than 600€  
601€-900€  
901€-1200€  
1201€-1500€  
1501€-1800€  
1801€-2100€  
more than 2100€

Q10. Please indicate your country of origin.



This questionnaire is carried out as part of the final project of Master's degree of the School of Economics and Management at the University of Lisbon. It is intended to evaluate the customers' expectations of high service quality provided by a restaurant. Your contribution is extremely important. The results of this questionnaire will be used only for academic purposes. Thank you!

Q1. Please rank the main factors that affect your satisfaction in order of importance when you visit a restaurant. (Mark 1 for the most important, while 5 is the least important)

Employee friendliness (1)  
Ambiance (2)  
Quality of food (3)  
Price (4)  
Waiting time for service (5)

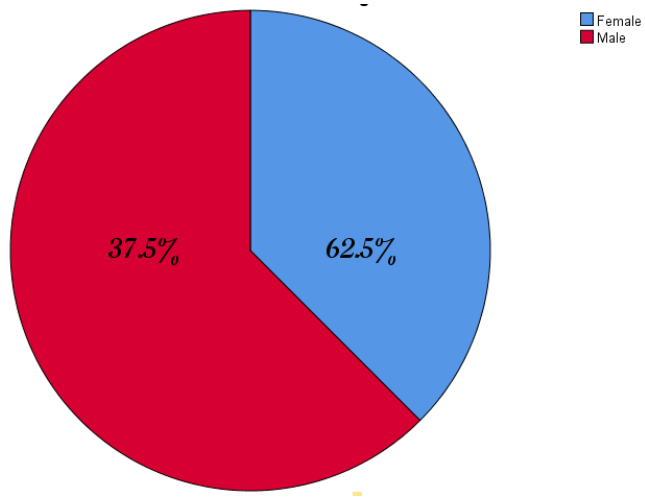
Q2. Please mark your agreement level for the following attributes about a good restaurant's service quality.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. The restaurant's facilities should be visually appealing.					
2. The employees should be well dressed and neat in appearance.					
3. When the restaurant promises to do something by a certain time, it should do so.					
4. When you have a problem, the restaurant should show a sincere interest in solving it.					
5. The employees should perform the service right the first time.					
6. The employees should give you prompt service.					
7. The employees should be always willing to help you.					
8. The behaviour of employees should instill confidence in you.					
9. The employees should be consistently courteous with you.					
10. The employees should have the knowledge to answer your questions.					
11. The employees should give your personal attention					

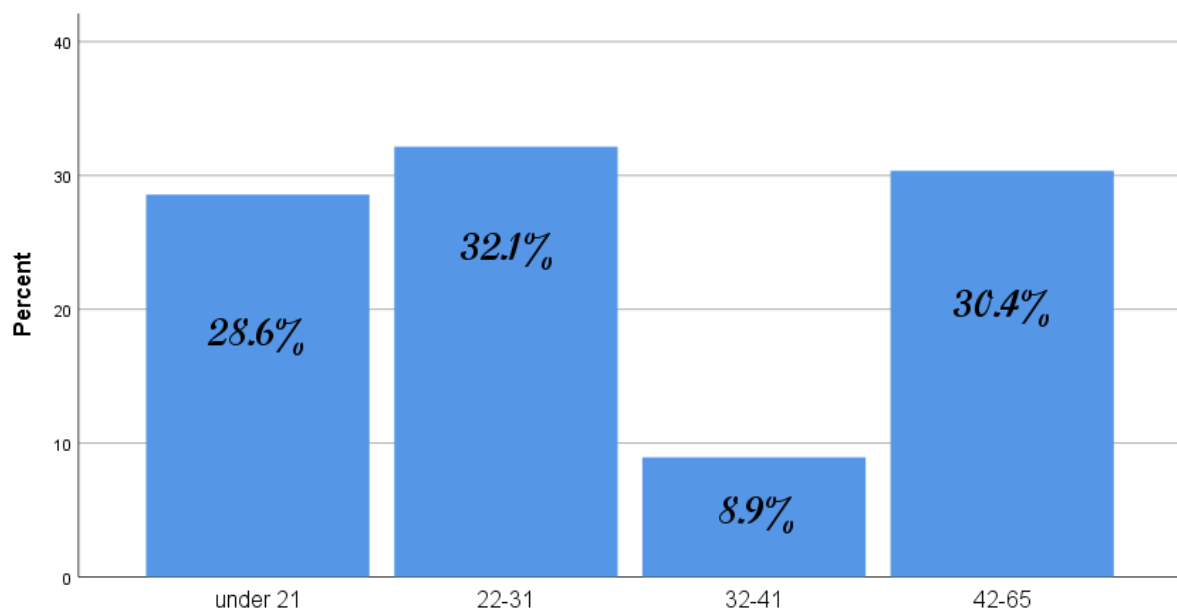
Q3. Do you ever share the food experience on the social networks?

No  
Yes

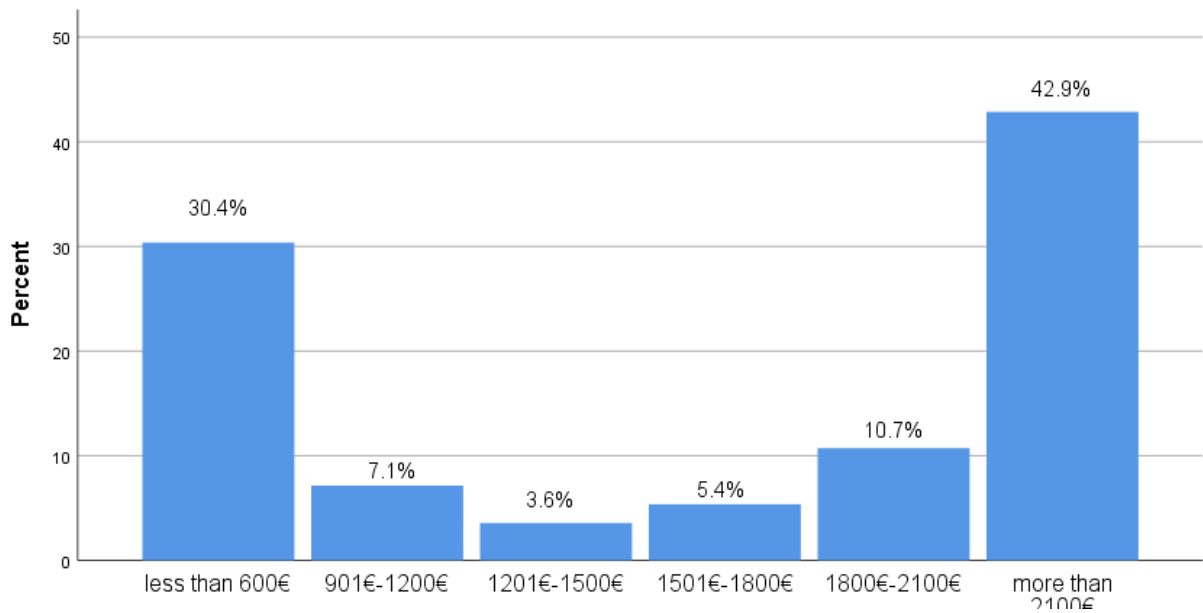
**Graphic 4 – Gender – Off-line Survey**



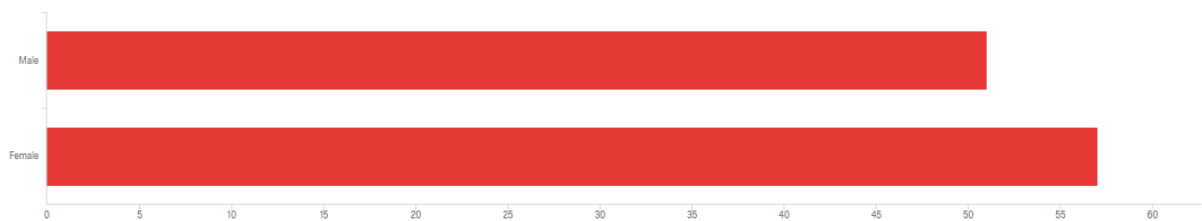
**Graphic 5 – Age – Offline Survey**



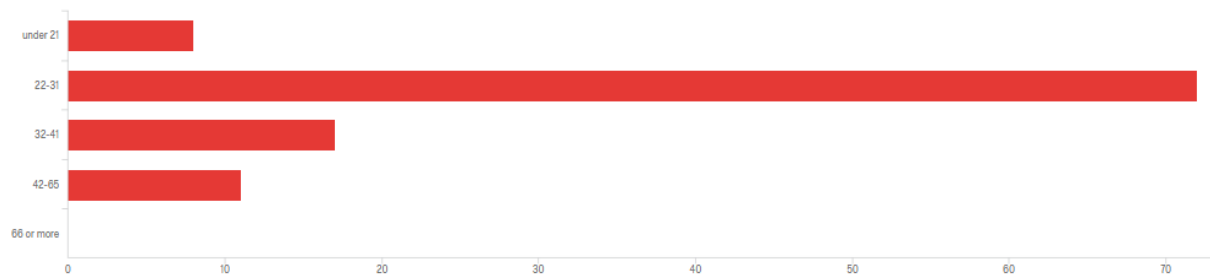
**Graphic 6 - Monthly Salary – Offline Survey**



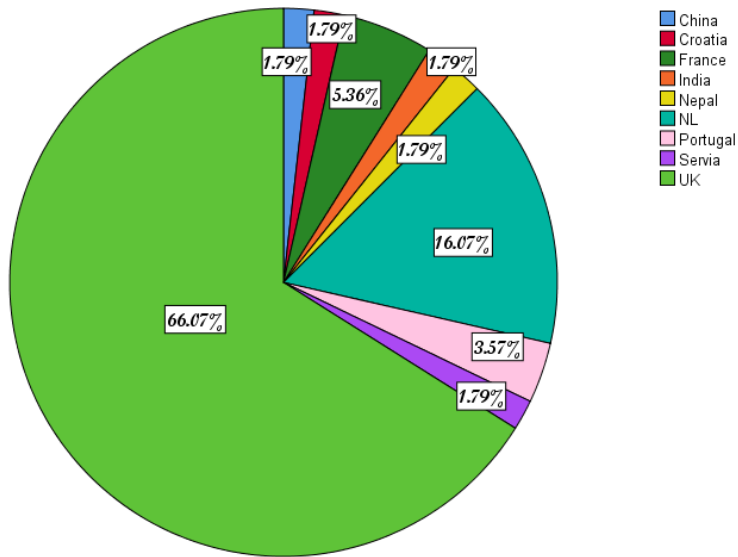
**Graphic 7 – Gender – Online Survey**



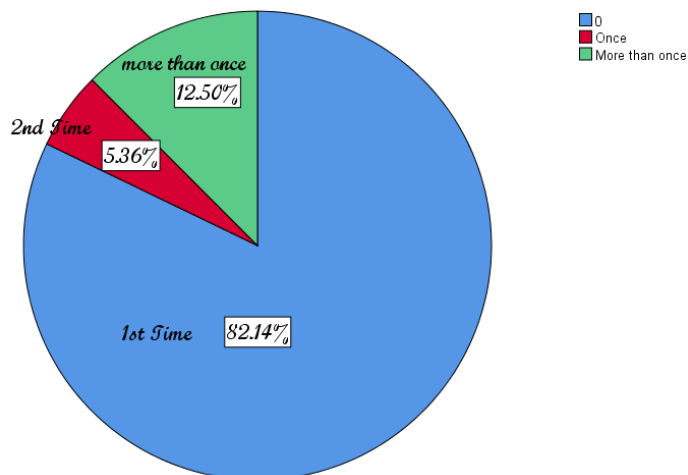
**Graphic 8 – Age – Online Survey**



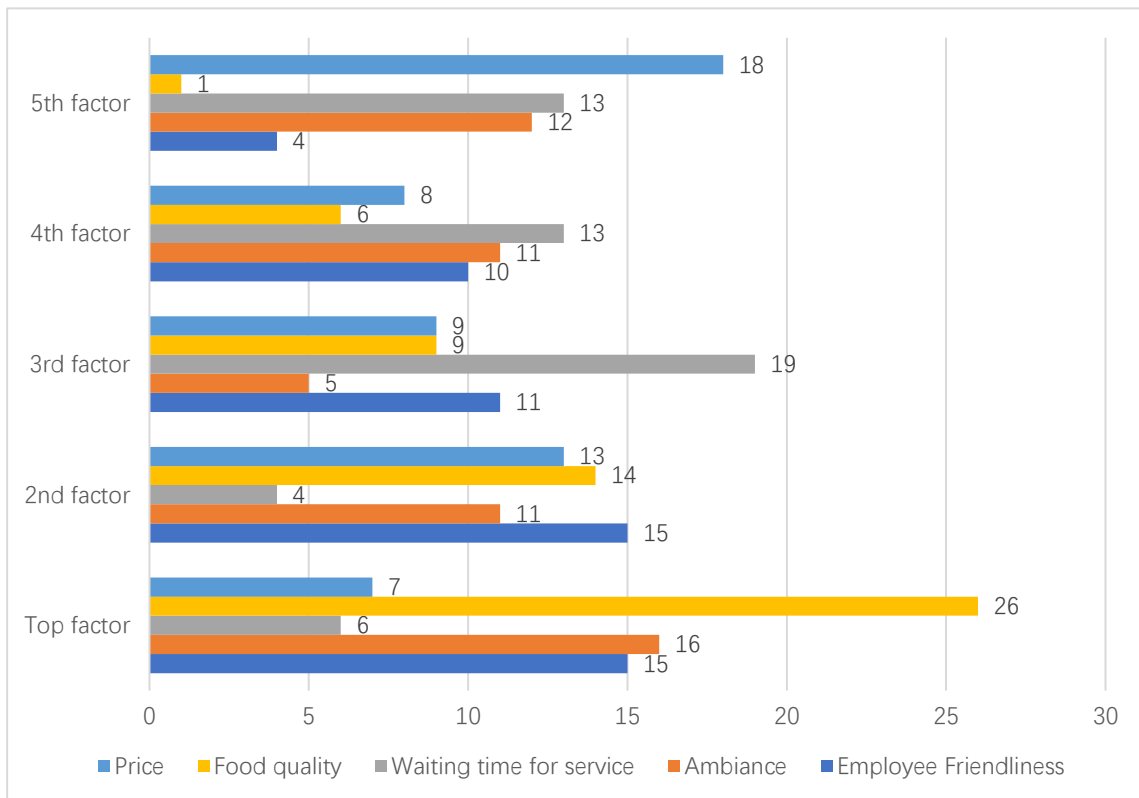
**Graphic 9** Country of Origin – Offline Survey



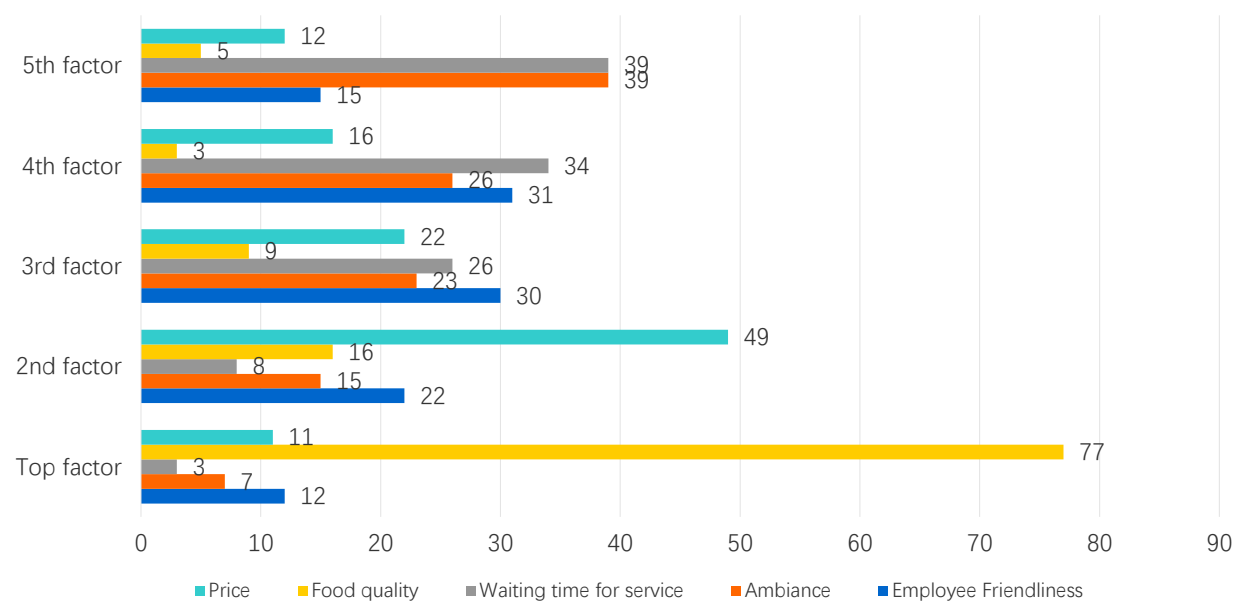
**Graphic 10** - Is it your first time at the oriental tea? – Offline Survey



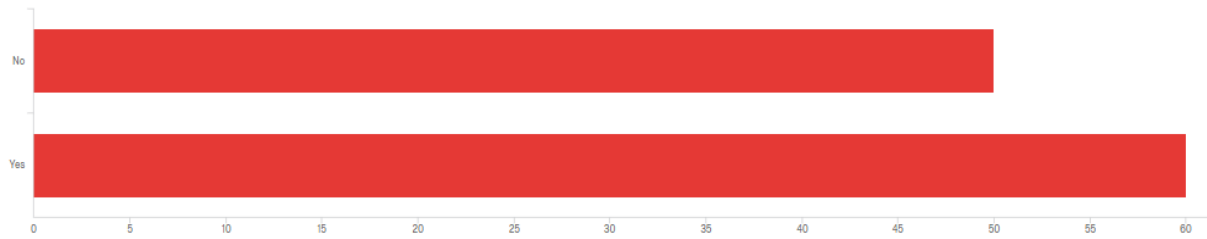
**Graphic 11 - Main factors that affects customers’s satisfaction - Offline Survey**



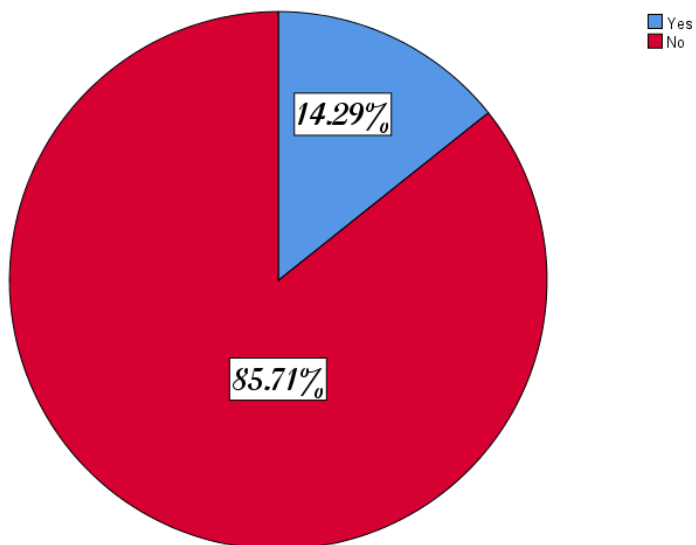
**Graphic 12 - Main factors that affect customers’ satisfaction - Online Survey**



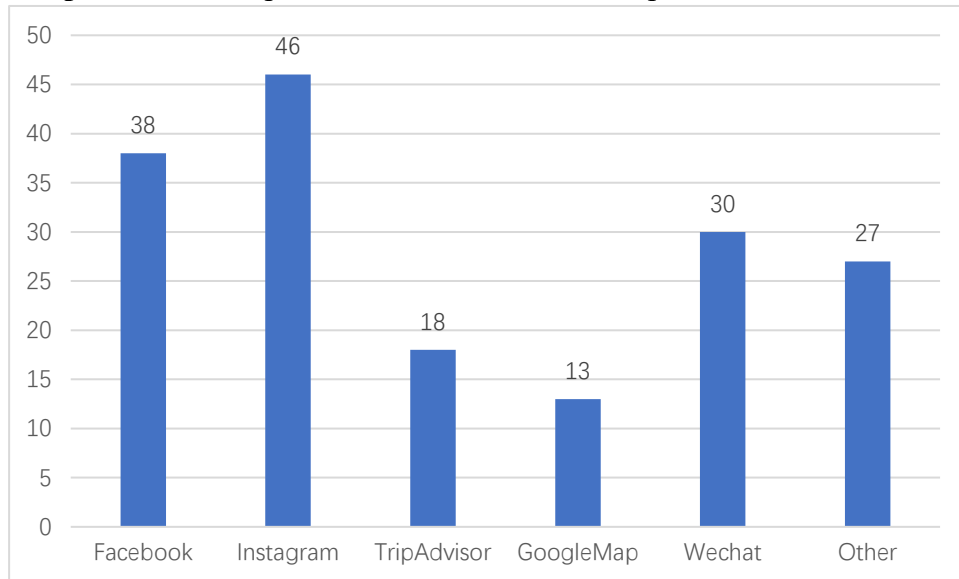
**Graphic 13** - Do you ever share the food experience on the social networks? – Online Survey



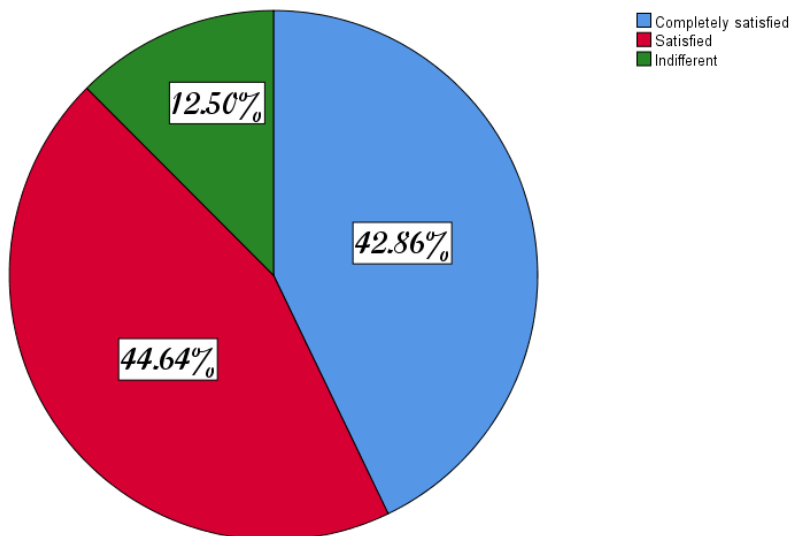
**Graphic 14** - Will customers share the experience on social network after consumption – Offline Survey



**Graphic 15** - Main platforms to share the food experiences

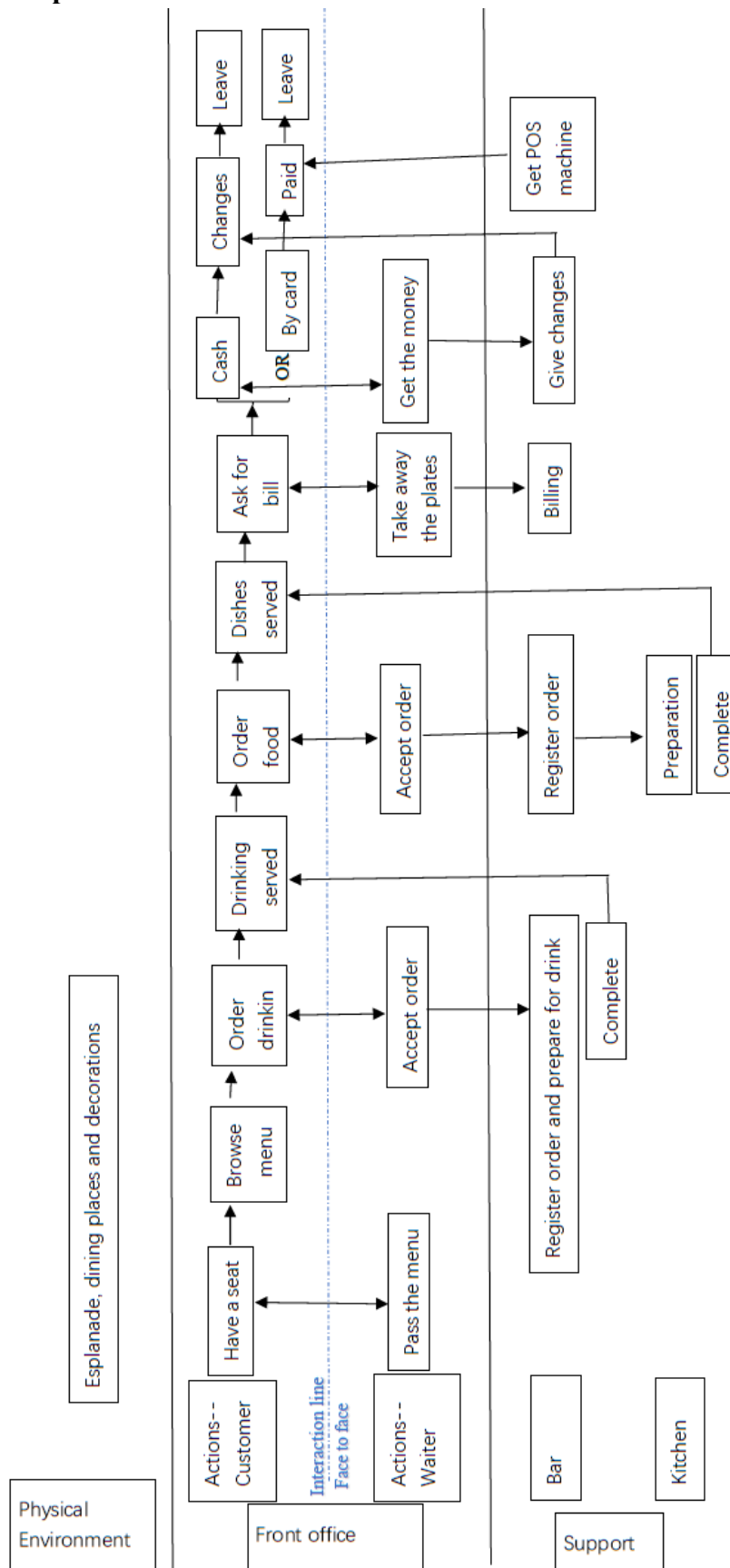


**Graphic 16** - Customers' satisfaction level with the restaurant



# APPENDIX-10

Graphic 17 - Service Processes





APPENDIX 11

Graphic 18 – Layout and Illumination of the Restaurant

